FOR IMMEDIATE RELEASE
September 8, 2014 (6:00 a.m. ET)

Athabasca Oil Corporation Announces Board of Directors and Executive Changes, a Strategic Update and an Increased 2014 Capital Budget

CALGARY – Athabasca Oil Corporation (TSX: ATH) ("Athabasca" or "the Company") announces Board of Directors ("Board") and Executive changes, a strategic update and an increase to its 2014 capital budget. Concurrent with this release an updated corporate presentation has been posted on the Company's website.

Board and Executive Changes

The Company announces that Mr. Sveinung Svarte will be retiring as President and Chief Executive Officer ("CEO") effective September 30th. Mr. Tom Buchanan, current Chairman of the Board, will assume the added responsibilities of President and CEO.

"On behalf of the Board I would like to thank Sveinung for his role as one of the founders and for his visionary leadership and commitment to making Athabasca a premiere resource Company," says Tom Buchanan, Chairman of the Board. "Since 2006, under his leadership Athabasca has grown into a $3 billion Company with an extensive portfolio of world class resource assets in both light oil and thermal oil. We look forward to his continued involvement as a valued member of the Board."

Mr. Sveinung Svarte will remain on the Board as Vice Chairman and will continue to support the Company's business development initiatives, including targeting large, strategic joint venture partners to help jointly develop Athabasca's extensive resource holdings. "I am proud of what we have collectively achieved over the past at Athabasca," says Sveinung Svarte, President and CEO. "We have some of the best acreage in the Kaybob Duvernay and in the Athabasca oil sands region and our excellent team is currently building world class projects in Alberta. Furthermore, our Company is now well funded and ready to deliver profitable growth under Tom's guidance."

Tom Buchanan has over 30 years of experience in the oil and natural gas sector, most recently as CEO of Spyglass Resources Corp. In 1993, he founded Founders Energy Ltd., the predecessor to Provident Energy Trust ("Provident") and was the CEO of Provident until 2010. He oversaw the growth of Provident from an initial investment of $700,000 in 1993 to a $4.5 billion diversified energy company with significant investments in upstream and midstream assets across North America. "I am very excited to lead the Company through its next stage of growth," says incoming President and CEO Tom Buchanan. "We have best-in-class assets, a tremendously talented team of people and the financial capacity in place to execute on our strategic growth objectives and deliver strong shareholder value appreciation."

Mr. Ron Eckhardt will assume the role of Lead Director of the Board and will replace Mr. Buchanan on the Compensation and Governance Committee of the Board. Additionally, Mr. Peter Sametz will replace Mr. Buchanan on the Audit Committee of the Company's Board.

Strategic Update

Over the past few years, Athabasca has strategically built out a scalable and diverse portfolio of high quality light oil and thermal oil assets in Alberta. The Company is currently focused on leveraging this high quality asset base to grow shareholder value through strong operational performance. Ongoing multi-year appraisal campaigns have enabled Athabasca to high-grade its asset portfolio and the recent completion of an in-depth business plan review has resulted in the Company further refining its strategy going forward. At the center of Athabasca's updated strategy are four core principles that will guide the Company's business activities and investment priorities going forward.

Cash Flow Growth	• Accelerate Near-Term Cash Flow • Focus on Returns
Balance Sheet Strength	• Capital and Cost Discipline • Focus on Core Assets
Execution Excellence	• Technical Rigor Drives Investment • Maintain Operational Agility
Delivering on Commitments	• Set Achievable Plans • Deliver on Targets

The core growth pillars at the foundation of Athabasca's strategy remain unchanged. In the Light Oil division, the Kaybob Region will continue to be Athabasca's focus, with the Duvernay serving as the Company's primary growth driver. Within the Thermal Oil division, Athabasca will continue to focus on development of the Hangingstone Asset, where it is currently completing its first 12,000 bbls/d SAGD project. Each of these core areas provide unique return characteristics, a platform for material growth and have the potential to become self funding in the medium-term. Combined, these core areas provide business portfolio diversification and complementary cash flow growth characteristics.

Although the Company is well funded, it will continue evaluating partnership opportunities on its many assets both in Light Oil and in Thermal Oil. The Company sees joint ventures as an excellent tool for additional future funding, acceleration of development plans, reduction of risk and leveraging partner's expertise and skills. This is a continuous effort which is ongoing at any time.

Kaybob Region

In the Kaybob Region, capital will be directed primarily towards the Duvernay where Athabasca holds 200,000 net acres of high-graded lands with greater than 20 meters of shale pay in the heart of the fairway. The Duvernay shale play is emerging as a world class resource having attracted attention from super-majors and large independents whose activity over the past two years has advanced the play in the Kaybob Region to the commercial stage. Specifically, in the Simonette, Saxon and south Kaybob areas, Athabasca and other industry players have delivered consistent commercial results which have advanced the stage of development to multi-well pad drilling. As such, Athabasca is also proceeding to the early stages of development in these areas where there is confidence in well productivity.

During the upcoming 2014/15 winter program, Athabasca plans to run four rigs to accomplish two objectives; first to accelerate production and cash flow growth and second, to drill the remaining land holding wells to continue 95% of the Company's high-graded acreage into the intermediate term. The winter program will include 16 horizontal and two vertical wells. Development drilling commences in mid-September and will target near term production growth at Saxon/Simonette and Kaybob West. The program will also include one new horizontal well at Kaybob East. Athabasca intends to commence some pad drilling in 2015 which is expected to improve capital costs. Well costs are expected to be within the range of $10 to $15 million per well. The range is driven primarily by depth variance across the play. Alberta's favorable land tenure system enables the Company to develop its extensive inventory at an appropriate pace across the thermal maturity windows.

Athabasca has sufficient funding in place to fully develop its Duvernay acreage based on its current full field development plan assumptions which include a ramp up to six rigs in future years. Based on the current development plan the play is expected to be self funding within the next three to four years.

In addition to the Duvernay program, the Company is planning a two well Montney appraisal program at Placid directly offsetting recent industry success at Bigstone. The objective of the program is to demonstrate both the quality and extent of the resource to consider for future funding.

This program sets the Company up for strong production and cash flow growth in the 2015 and 2016 timeframe and beyond. Drilling activities will commence in mid-September and are expected to add material production and cash flow beginning in the second quarter of 2015. The majority of the production growth from this program is expected to materialize in the second half of 2015 and early 2016.

Hangingstone Asset

Athabasca's Hangingstone Asset is comprised of a concentrated, contiguous land base of approximately 136,000 net acres in the McMurray formation near Fort McMurray. Once fully developed, the asset has an overall production potential of more than 80,000 bbls/d. As at December 31, 2013, the Company's independent reserve and resource evaluators estimated that the Hangingstone asset had Proved plus Probable Reserves of 225 MMbbls and Contingent Resources (Best Estimate) of 782 MMbbls.

Hangingstone Project 1, Athabasca's initial project at Hangingstone, is well advanced with first steam on track for the end of the first quarter of 2015. First production is planned to follow four to six months thereafter with a plateau of 12,000 bbls/d expected in 2016. The project is trending in line with sanctioned costs. Achieving targeted production ramp-up at Project 1 will be an important milestone for Athabasca as it will demonstrate the Company's ability to build and operate larger-scale projects and demonstrate the quality of the Hangingstone resource base, both of which will set the stage for future expansion phases.

Engineering will continue to advance for Hangingstone Project 2A, an 8,000 bbls/d incremental debottleneck project, however, future expansion phases are not expected to be sanctioned until the Company demonstrates a successful production ramp-up profile for Project 1.

2014 Capital Budget Increase

Athabasca's Board of Directors' has approved an increase of $140 million to the 2014 capital budget, bringing the total to $667 million as follows:

2014 Capital Budget(1) ($ Millions)	Previous Budget	New Budget	Change	Q3 - Q4 2014
THERMAL OIL DIVISION				
Hangingstone Project	$227	$227	$0	$81
Hangingstone regional infrastructure and production support	58	58	0	15
Hangingstone Expansion	48	55	7	35
Other	15	14	-1	10
	348	**354**	**6**	**141**
LIGHT OIL DIVISION				
Duvernay	108	237	129	168
Montney	16	33	17	22
Other	21	21	0	13
	145	**291**	**146**	**203**
CORPORATE	**14**	**14**	**0**	**11**
DOVER JOINT VENTURE	**20**	**8**	**-12**	**2**
TOTAL CAPITAL SPENDING	**$527**	**$667**	**$140**	**$357**

(1) The capital budget figures above exclude capitalized interest, financing costs, and general & administrative costs ("G&A"). Athabasca anticipates that capitalized G&A for 2014 will be approximately $50 million.

Capital and Production Outlook

The Company maintains its guidance range of 6,000 – 6,500 boe/d for the second half of 2014.

Assuming the Company maintains its expected pace of development, 2015 capital expenditures are anticipated to range between $450 million to $500 million (approximately 75% Light Oil and 25% Thermal Oil).

Under these spending assumptions the Company forecasts a 2015 exit rate between 12,000 – 14,000 boe/d in the Light Oil division and average production of 8,000 – 9,000 boe/d. The upcoming winter drilling program is expected to start adding material production in the second quarter of 2015. By year-end 2015 the Company plans to drill 26 wells, including 18 wells from the 2014/15 winter program. The 2015 exit outlook reflects contribution from only 15 wells from the 2014/2015 winter program.

Hangingstone remains on track for first steam at the end of the first quarter of 2015 with a production ramp-up starting approximately mid-year and trending into 2016. The Company forecasts an exit rate between 3,000 – 6,000 bbls/d from Hangingstone. This asset will only have a small impact on the 2015 corporate average.

Corporately the Company forecasts a 2015 exit between 15,000 – 20,000 boe/d.

Liquidity Outlook

The Company completed the sale of its 40% interest in the Dover oil sands project to Phoenix Energy Holdings Limited on August 29th for net proceeds of $1,184 million consisting of a $600 million cash payment and $584 million in three unconditional interest bearing promissory notes (the "Promissory Notes"), secured by irrevocable standby letters of credit issued by HSBC. The Company will receive approximately 75% of net proceeds within six months and approximately 90% within a year. The payment structure is well aligned with Athabasca's capital spending plans over the next couple of years.

The closing of this sale has significantly improved the Company's funding position and Athabasca now has sufficient capital to fund the development of its core assets including a multi-year full field development program in the Duvernay and the completion and ramp-up of production at Hangingstone Project 1.

Going forward Athabasca intends to maintain a strong balance sheet with sufficient liquidity to execute projects and pursue strategic partnerships. Based on its capital spending and production outlook, Athabasca anticipates exiting 2014 with funding in place of close to $1.2 billion and exiting 2015 with approximately $600 million. Funding in place includes cash, the Promissory Notes, and available credit facilities.

Long-term Assets

Athabasca has other material assets that provide the Company with additional upside potential longer-term. For Thermal Oil the Company has five major thermal assets with over 9 billion barrels of contingent resources (best estimate). These projects are in various stages of technical and regulatory progression, including the use of experimental Thermal Assisted Gravity Drainage ("TAGD") technology in the prolific Leduc carbonate formation. In Light Oil, in addition to the Montney opportunity at Placid, Athabasca has exploration targets including the Nordegg formation at Kaybob and the Slave Point formation at Caribou in Northern Alberta. The Company will continue technical progression of these plays and will continue to assess partnership and project funding strategies to accelerate development of these assets.

Conference Call, September 8, 2014
7:30 am Mountain Time (9:30 am Eastern Time)

A conference call to discuss Athabasca's refined strategy and capital plans will be held for the investment community on September 8, 2014 at 7:30 a.m. MT (9:30 a.m. ET). To participate, please dial 888-231-8191 (toll-free in North America) or 647-427-7450 approximately 15 minutes prior to the conference call. An archived recording of the call will be available from approximately 12:30 p.m. ET on September 8 until midnight on September 15, 2014 by dialing 855-859-2056 (toll-free in North America) or 416-849-0833 and entering conference password 98855069.

An audio webcast of the conference call will also be available on Athabasca's website, www.atha.com or the following link below:
http://www.newswire.ca/en/webcast/detail/1406632/1561930.

About Athabasca Oil Corporation

Athabasca Oil Corporation is a Canadian energy company with a diverse portfolio of thermal and light oil assets. Situated in Alberta's Western Canadian Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. Athabasca's common shares trade on the TSX under the symbol "ATH". For more information, visit www.atha.com.

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Reader Advisory:

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "should," "believe," "predict," "pursue" and "potential" and similar expressions are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release may contain forward-looking information pertaining to the following: Athabasca's strategic focus and related goals; future appraisal, drilling and development plans; future production, production growth and production potential, including with respect to the Company's Hangingstone assets; production targets and guidance; cash flow growth, cash flow potential and future profit growth; future shareholder value appreciation; the composition of hydrocarbons that will be produced from certain of the Company's Light Oil properties; expectations regarding capital expenditures and capital allocation; the number of drilling rigs to be utilized; the number of wells to be completed and tied-in as part of the 2014/2015 winter drilling program and beyond; the continuation of the Company's high-graded acreage; the commencement of future pad drilling and the Company's full field development plans in respect of its Duvernay properties; future capital requirements; first steam and first production from Hangingstone Project 1; the advancement of the engineering work for Hangingstone Project 2A; future funding and financing, including the pursuit and/or formation of strategic partnerships to accelerate future development; the receipt of proceeds from the Promissory Notes; expected future cash balances; the Company's future liquidity position; the use of TAGD in the Leduc carbonate formation. The information and statements in this News Release relating to Athabasca's estimated reserves and contingent resources are also deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: geological and engineering estimates in respect of Athabasca's reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities; the applicability of technologies for the recovery and production of Athabasca's reserves and resources; future commodity prices; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; the Company's future debt levels; the receipt of payment under the Promissory Notes in a timely manner; the impact that the timing of the Company's receipt of payments made by Phoenix under the Promissory Notes will have on the Company, including on the Company's financial condition, capital programs and results of operations; and the Company's ability to obtain future financing, as needed, on acceptable terms.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company's most recent annual information form ("AIF"), including, but not limited to: the substantial capital requirements of Athabasca's projects and the ability to obtain financing for Athabasca's capital requirements; failure by counterparties (including, without limitation, PetroChina and Phoenix) to make payments or perform their operational or other obligations to Athabasca in compliance with the terms of contractual arrangements (including under the Promissory Notes) between Athabasca and such counterparties, including in compliance with the time schedules set out in such contractual arrangements, and the possible consequences thereof; risks affecting the ability of HSBC Canada to honour obligations under the irrevocable letters of credit issued to secure the Promissory Notes; aboriginal claims; fluctuations in market prices for crude oil, natural gas and bitumen blend; general economic, market and business conditions in Canada, the United States and globally; failure to obtain regulatory approvals or maintain compliance with regulatory requirements; failure to meet development schedules and potential cost overruns; variations in foreign exchange and interest rates; factors affecting potential profitability; risks related to future acquisition and joint venture activities; reliance on, competition for, loss of, and failure to attract key personnel; global financial uncertainty; uncertainties inherent in estimating quantities of reserves and resources; changes to Athabasca's status given the current stage of development; uncertainties inherent in SAGD, TAGD and other bitumen recovery processes; risks related to hydraulic fracturing; expiration of leases and permits; risks inherent in Athabasca's operations, including those related to exploration, development and production of petroleum, natural gas and oil sands reserves and resources, including the production of oil sands reserves and resources using SAGD, TAGD or other in-situ technologies; risks related to gathering and processing facilities and pipeline systems; availability of drilling and related equipment and limitations on access to Athabasca's assets; increases in operating costs could make Athabasca's projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; gas over bitumen issues affecting operational results; environmental risks and hazards and the cost of compliance with environmental regulations, including GHG regulations and potential Canadian and U.S. climate change legislation; extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations from time to time; risks related to Athabasca's filings with taxation authorities, including the risk of tax related reviews and reassessments; changes to royalty regimes; political risks; failure to accurately estimate abandonment and reclamation costs; exploration, development and production risks inherent in crude oil and natural gas operations, including the production of crude oil and natural gas using multi-stage fracture and other stimulation technologies; the potential for management estimates and assumptions to be inaccurate; long term reliance on third parties; reliance on third party infrastructure; seasonality; hedging risks; risks associated with establishing and maintaining systems of internal controls; insurance risks; claims made in respect of Athabasca's operations, properties or assets; competition for, among other things, capital, the acquisition of reserves and resources, export pipeline capacity and skilled personnel; the failure of Athabasca or the holder of certain licenses, leases or permits to meet specific requirements of such licenses, leases or permits; risks related to Athabasca's credit facilities; breaches of confidentiality; costs of new technologies; alternatives to and changing demand for petroleum products; risks related to Athabasca's common shares; and risks pertaining to Athabasca's senior secured notes.

The forward-looking statements included in this News Release are expressly qualified by this cautionary statement. Athabasca does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

Oil and Gas Information:

Estimates of Proved plus Probable Reserves and the Contingent Resources (Best Estimates) that are provided herein are based upon the Company's independent reserve and resource evaluation reports, dated effective as of December 31, 2013, which were prepared by GLJ Petroleum Consultants Ltd. ("GLJ") and DeGolyer and MacNaughton Limited ("D&M). The aggregate Contingent Resources (Best Estimate) of approximately 9 billion barrels that is referred to herein is based upon the GLJ and D&M reserve and resources evaluation reports, dated effective as of December 31, 2013, but also reflects the sale of Athabasca's 40% interest in the Dover oil sands project to Phoenix on August 29, 2014 (and the corresponding reduction of approximately 1.22 billion barrels of Contingent Resource (Best Estimate)) and the disposition of certain oil sands rights in the Dover West Sands asset area (and the corresponding reduction of approximately 191 MMbbls of Contingent Resource (Best Estimate)). The aggregate Contingent Resource (Best Estimate) figure also includes 418 MMbbls of Contingent Resource (Best Estimate) in Grosmont which GLJ considers to be sub-economic based upon a 10% discount factor. Estimates of reserves for individual properties or projects may not reflect the same confidence level as estimates of reserves for all properties due to the effect of aggregation. Reserves and Contingent Resources figures have been rounded to the nearest MMbbl. Actual reserves and resources may be greater or less than the estimates provided and the variances could be material. There is no certainty that it will be commercially viable to produce any portion of the resources. For important additional information regarding Athabasca's reserves and resources estimates and the evaluations that were conducted by GLJ and D&M please refer to "Independent Reserve and Resource Evaluations" in Athabasca's AIF, which is available on SEDAR at www.sedar.com.

Definitions

"Best Estimate" is a classification of estimated resources described in the Canadian Oil and Gas Evaluation Handbook as being considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the Best Estimate. If probabilistic methods are used, there should be a 50% probability (P50) that the quantities actually recovered will equal or exceed the Best Estimate.

"Contingent Resources" are defined in the Canadian Oil and Gas Evaluation Handbook as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include economic matters, further facility design and preparation of firm development plans, regulatory matters, including regulatory applications, associated reservoir studies, delineation drilling, company approvals and other factors such as legal, environmental and political matters or a lack of markets. It is also appropriate to classify as Contingent Resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources may be further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by economic status.

"Probable Reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved reserves plus probable reserves.

"Proved Reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Abbreviations

bbl or bbls	barrel or barrels
bbls/d	barrels per day
Boe	barrels of oil equivalent
MMbbls	millions of barrels of oil

Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet of natural gas to one bbl of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.